

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2272-02
Bill No.: HB 997
Subject: Waives the State's Sovereign Immunity for Purposes of Workers' Compensation
Type: Corrected*
Date: April 2, 2001
*Corrected to add footnote.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Legal Expense	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to (Unknown)*	\$0 to (Unknown)*	\$0 to (Unknown)*

*Could exceed (\$100,000) in any given fiscal year.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** assume that the costs associated with this proposal can be absorbed. AGO states that costs to the Legal Expense Fund are unknown.

Officials from the **Office of the State Courts Administrator (CTS)** assume that lawsuits filed as a result of the proposed legislation would be filed in state court, and there may be some increase in the number of cases filed. However, CTS has no way of estimating that increase at this time and do not anticipate that it would be substantial enough to require a budget increase in the courts.

Officials from the **Office of Administration - General Services/Risk Management (COA)** state that the proposed legislation may be in response to recent United States Supreme Court rulings. COA states that they are unaware of any past history of such cases and therefore are unable to identify any cost impact. The Office of the Attorney General would be the proper resource in regard to any litigation and litigation costs in this area.

Officials from the **Department of Conservation (MDC)** assume that the proposed legislation could have a fiscal impact on MDC funds because of the increased exposure to liability from lawsuits; however, the amount of impact is unknown.

Officials from the **Department of Transportation (DHT)** state that there could be a fiscal impact if their agency was sued; however, it is impossible to predict the amount of any judgments.

Officials from the **Office of Administration - Division of Personnel** and the **Department of Labor and Industrial Relations** assume the proposed legislation would have either no or minimal fiscal impact on their agencies.

Oversight assumes that the fiscal impact depends on the number and amount of judgments, against the state, resulting from lawsuits that may occur with passage of this proposal. Pursuant to this proposal, claims up to the limits established in section 537.610 RSMo can be sought; however section 537.610 exempts chapter 287 RSMo which is the subject of this proposal. Therefore, in effect, there is no limit on judgments resulting from this proposal. Oversight assumes judgments against the state will be paid out of the Legal Expense Fund and have ranged those from zero judgments to unknown. Oversight assumes that any one judgment, in a fiscal year, against the state could exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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LEGAL EXPENSE FUND

<u>Costs - Judgments Against the State Resulting from Potential Lawsuits</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LEGAL EXPENSE FUND	<u>\$0 to (Unknown)*</u>	<u>\$0 to (Unknown)*</u>	<u>\$0 to (Unknown)*</u>
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*Could exceed (\$100,000) in any given fiscal year.

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal subjects the state to lawsuits for discrimination resulting from an employee exercising his or her rights under workers' compensation law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of Administration - General Services/Risk Management
Office of Administration - Division of Personnel
Office of the State Courts Administrator
Department of Labor and Industrial Relations
Department of Conservation
Department of Transportation

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director

April 2, 2001